SLS 21RS-97 ENGROSSED

2021 Regular Session

SENATE BILL NO. 81

1

BY SENATOR LUNEAU

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

REVENUE DEPARTMENT. Establishes reporting requirements for businesses and governmental entities using service providers. (7/1/21)

AN ACT

2	To amend and reenact R.S. 46:236.14(D)(2) and R.S. 47:1508(B)(23) and to enact R.S.
3	47:114.1, relative to reporting requirements to the Department of Revenue; to require
4	businesses and governmental entities that pay certain service providers to file annual
5	reports; to authorize the secretary of the Department of Revenue to promulgate rules;
6	to provide for extensions and waivers; to provide for an exception to the
7	confidentiality of the records of the secretary of the Department of Revenue; and to
8	provide for related matters.
9	Be it enacted by the Legislature of Louisiana:
10	Section 1. R.S. 46:236.14(D)(2) is hereby amended and reenacted to read as follows:
11	§236.14. Employer reporting program
12	* * *
13	D.
14	* * *
15	(2) The Department of Children and Family Services shall secure either
16	electronically or by hard copy all of the following:
17	(a) Wages wages and unemployment compensation information which is

1	required to be submitted to the secretary of the United States Department of Labor
2	for entry into the state directory of new hires.
3	(b) Any information reported to the Department of Revenue in
4	accordance with R.S. 47:114.1.
5	* * *
6	Section 2. R.S. 47:1508(B)(23) is hereby amended and reenacted and R.S. 47:114.1
7	is hereby enacted to read as follows:
8	§114.1. Annual Information Return of Service Recipient
9	A. Beginning January 1, 2022, any service recipient who makes or is
10	required to make a return to the Internal Revenue Service, in accordance with
11	Section 6041A(a) of the Internal Revenue Code and treasury regulations
12	adopted thereunder and other administrative guidance issued by the Internal
13	Revenue Service, including the instructions to Internal Revenue Service Form
14	1099-NEC or successor form, relating to payments made to a service provider
15	as remuneration for services provided in this state, shall file a copy of the return
16	with the secretary as provided for in this Section.
17	B.(1) The return copy shall be filed with the secretary on or before the
18	28th day of February of each year for the preceding calendar year. The first
19	report shall be filed on or before February 28, 2022, for remunerations made
20	during calendar year 2021.
21	(2) Upon receipt of a written request from a service recipient in the
22	manner prescribed by the secretary, the secretary may grant a reasonable
23	extension of time, not exceeding thirty days, for filing the annual report.
24	(3) The secretary may waive the annual reporting requirement upon a
25	showing by the service recipient that the requirement creates an undue
26	hardship. A request for waiver shall be submitted to the secretary in the
27	manner prescribed by the secretary.
28	C. The secretary may promulgate rules and regulations in accordance
29	with the Administrative Procedure Act to implement the provisions of this

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1	Section.
2	* * *
3	§1508. Confidentiality of tax records
4	* * *
5	B. Nothing herein contained shall be construed to prevent:
6	* * *
7	(23) The sharing or furnishing of, upon the request of the secretary of the
8	Department of Children and Family Services or her designee, the address and social
9	security number of the person designated by Department of Children and Family
10	Services as an absent parent and any report required by R.S. 47:114.1 for the
11	purpose of implementing the provisions of R.S. 46:236.1.1 et seq., the family and
12	child support program.
13	* * *
14	Section 3. This Act shall become effective on July 1, 2021.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Curry Lann.

DIGEST

2021 Regular Session

Luneau

<u>Proposed law</u> requires any service recipient who makes or is required to make a return to the IRS relating to payments made to a service provider as remuneration for services provided in this state to file an annual report with the secretary beginning January 1, 2022.

<u>Proposed law</u> requires the annual report to be filed with the secretary on or before February 28th of each year for the preceding calendar year.

<u>Proposed law</u> requires the first annual report to be filed on or before February 28, 2022, for remunerations made during calendar year 2021.

<u>Proposed law</u> authorizes the secretary to grant filing extensions and waive the annual reporting requirement in certain circumstances.

<u>Proposed law</u> authorizes the secretary to promulgate rules to implement the provisions of <u>proposed law</u>.

<u>Present law</u> (R.S. 46:236.14) requires the Department of Children and Family Services to secure either electronically or by hard copy wages and unemployment compensation information which is required to be submitted to the secretary of the U.S. Department of Labor for entry into the state directory of new hires.

<u>Proposed law</u> retains <u>present law</u> and further requires that the Department of Children and Family Services secure either electronically or by hard copy any information reported to the

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Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

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Department of Revenue regarding annual reports filed by service recipients.

<u>Present law</u> (R.S. 47:1508) requires the confidentiality of tax records and provides for exceptions.

<u>Proposed law</u> authorizes the secretary of the Department of Revenue to share or furnish information with the Department of Children and Family Services regarding annual reports filed by service recipients.

Effective July 1, 2021.

(Amends R.S. 46:236.14(D)(2) and R.S. 47:1508(B)(23); adds R.S. 47:114.1)

Summary of Amendments Adopted by Senate

<u>Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill</u>

- 1. Requires the Department of Children and Family Services to secure either electronically or by hard copy any information reported to the Department of Revenue regarding annual reports filed by service recipients.
- 2. Authorizes the secretary of the Department of Revenue to share or furnish information with the Department of Children and Family Services regarding annual reports filed by service recipients.
- 3. Makes technical changes.